



State of Idaho

DIVISION OF FINANCIAL MANAGEMENT

Executive Office of the Governor

C.L. "BUTCH" OTTER
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WAYNE L. HAMMON
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DFM GUIDANCE MEMORANDUM NUMBER 2008-05

DATE: December 1, 2008

TO: Elected Officials
Directors, All Executive Departments, Offices and Institutions

FROM: Wayne L. Hammon, DFM Administrator

RE: Implementation of Executive Order 2008-05

[Handwritten signature of Wayne L. Hammon]
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Executive Order 2008-05 issued on December 1, 2008 utilized the Governor's authority to implement a holdback for FY 2009. A copy of the holdback table is attached.

Executive departments, offices and institutions are to implement the holdback immediately and should submit modified holdback plans to DFM for approval as soon as possible. Holdback amounts must be in the STARS system based upon these plans no later than noon on Monday, December 8, 2008.

While the Executive Order is limited to a 3-percent holdback, directors are instructed to reserve an additional 2-percent in the event that further reductions are necessary. Guidance on how to identify these reductions is provided in a letter from the Governor accompanying this memo.

The Governor's authority to implement a holdback is statutorily limited to exercising "temporary reduction in spending authority." However, the Governor's FY 2010 recommendation to the 2009 Legislature will, with the exception of Public Schools, include making both the 1-percent September holdback and the 3-percent December holdback permanent and thus reducing the base budget for each affected Executive department, office or institution.

Elected Officials are requested to advise DFM of the extent to which they can meet the holdback without impairing the discharge of their constitutional or statutory duties. In addition, the Governor has written to Judicial and Legislative leadership seeking their full participation in the holdback as well.

Finally, Idaho Code provides an opportunity for any Executive department, office or institution director wishing to challenge the Governor's determination to appeal the dollar amount of the holdback to the Board of Examiners. The deadline for filing an appeal with the Board is noon on Monday, December 4, 2008.

Your assigned DFM analyst is available with additional information or to answer any questions you may have about specific program impacts.

Idaho – Esto Perpetua – Let it be perpetual